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EMPLOYMENT BUREAU FOR THE PEOPLE OF NEW YORK CITY¹

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The Need for an Employment Bureau

That there are in New York City in good times as well as in periods of depression a very considerable number of employable persons who need work who are not actually employed, may be taken for granted. Immigration, migration from other communities, irregularity in building operations and in other industries, and the seasonal character of many trades, are causes which operate in all communities, but in New York City in a wholly extraordinary degree. Besides such causes affecting large masses of people, individuals, of whom there is a large number in the aggregate, lose much, to them, valuable time in finding work after illness, or when from any other cause they have been compelled to give up their work. For our present purpose it has not been thought

¹In the fall of 1908 Mr. Jacob H. Schiff suggested that the Charity Organization Society should call a conference to consider the following proposition:

"The proposition is to organize in the City of New York an employment bureau under a board of trustees composed of experienced men, preferentially from the mercantile and industrial classes.

"The bureau should be placed under a manager of great executive ability, with two or three assistants, the latter to be thoroughly conversant with the classes and their peculiarities which compose New York City's working population.

"The bureau is to establish an organization covering all sections of the United States, so that it shall be in immediate and constant touch with requirements for labor and employment wherever such may exist, but its benefits are to accrue primarily to the unemployed of the City of New York.

"The bureau is to charge a reasonable fee to the employer for the procuring of labor, for which the latter may reimburse himself, gradually, if this is deemed well, from the wages of the employee. It is hoped that by this the bureau will in time become self-supporting; but to assure its establishment and maintenance for a number of years, until it shall have become self-supporting, a working fund of \$100,000 ought to be assured at the outset."

The Russell Sage Foundation undertook the expense of a preliminary investigation, and Dr. Edward T. Devine was requested to prepare the report of which this article presents a summary. The full report, with numerous appendices and a bibliography, is printed privately for the Russell Sage Foundation by The Charities Publication Committee, New York.

necessary to make any estimate of the unemployed. Common observation and the testimony of trade unions, charitable societies, and the daily press sufficiently establish the fact that in normal years the total number who lose a substantial part of the working year is very considerable, and that in every depression, however local or temporary, the number is sufficiently large to become a matter of grave concern.

The question which is pertinent and important is whether the unemployed are so (1) because they are unemployable, (2) because there is no work to be had, or (3) because of mal-adjustment, which an efficient employment bureau could at least to some extent overcome. It is obvious that if they are unemployed because they are unemployable, the employment bureau is no remedy. The only adequate remedy for a lack of efficiency would be education and training. If, again, they are unemployed because of real and permanent surplus of supply over the demand of labor, it is plain that an employment bureau could not remedy the difficulty. The bureau does not directly create opportunities for work, and its success will therefore depend on the possibility of finding it. In so far, however, as the lack of employment is due to mal-adjustment, that is to the inability of people who want work to get quickly into contact with opportunities which exist and to which there are no other equally appropriate means of access, the employment bureau will be justified. This mal-adjustment between labor and opportunities for labor may either be local, *i. e.*, within the community itself, or it may be as between communities. That is, if there is an actual surplus of labor in New York City there may still be a deficiency in other towns or cities, or on farms in New York or other states, and the employment bureau may therefore find a field for usefulness in equalizing these conditions as between communities.

The time at our disposal has not permitted an original investigation of the extent to which there is an unfilled demand for labor, either in New York City or in other communities. I have, however, addressed a careful letter of inquiry to about thirty persons who would be in position to give definite information on these points, if it were to be had, and whose opinions at least would be worthy of special consideration. The most striking fact about the replies to these inquiries is the complete demonstration that they give that

there is no definite information on these matters and that the views of those who have evidently considered them most carefully are apt to be diametrically opposed. There is, however, a general consensus of opinion among economists and authorities on labor problems that even in periods of active trade there is by no means a complete adjustment between seekers after work and opportunities for employment even within the city.

Practically all from whom opinions have been obtained, economists, employers, trade unionists, social workers, and government and state officials who have had to deal with labor questions, are firmly convinced that surplus labor is a feature of congested communities and not a general phenomenon, that in ordinary times an urgent demand for both skilled and unskilled labor may exist, and does exist, in many communities at the very moment when the unemployed are congregating in other communities, and especially that labor is needed at remunerative wages on farms at the very time when the already overcrowded cities are increasing in population.

The conclusion to which I am forced to come from a painstaking examination of all of the data on this subject available in print, and from correspondence and personal conference with those whom I have thought most competent to advise on the subject, is that there is a need at all times, and in periods of even slight depression a very urgent need, of an efficient system of bringing together as quickly as possible those who are seeking work and those who are seeking workers. I am inclined to think that such an agency would actually increase to an appreciable extent the effective demand for workers. In the words of Mr. Sidney Webb, "it would not only increase the mobility of labor, but would actually increase the aggregate volume of demand, to the extent of the opportunities for profitable employment that the employer now lets slip because he can't get just what he wants when he wants it."

The proposed employment bureau would certainly be one means, and as I shall hereafter show, probably the best means, of meeting this great and permanent need by mediating between work and workers in that large number of instances for which no other especially appropriate means of communication has been established.

Is the Need Met by Existing Institutions?

I have not thought it necessary to make an independent investigation of the existing commercial agencies for the reason that numerous investigations have been made, and one which is official and doubtless exceptionally thorough, is in progress at this writing under the direction of the New York State Immigration Commission. Without anticipating the findings of the state commission it is within bounds to say that the private commercial agencies do not meet the need which has been described, that their standards of integrity and efficiency are low, that their real service to employers and employees, except in a few occupations, and in the case of a few well conducted agencies, is exceedingly slight. Operated primarily for profit, they have a constant temptation to over-charge, to misrepresent, and to encourage frequent changes for the sake of the fee. It is a striking fact that the principal argument for the establishment of free state labor bureaus has always been found in the abuses of the private commercial agencies.

The three most important attempts in New York City to conduct a free employment bureau under the auspices of philanthropic agencies are the Cooper Union Labor Bureau, conducted by the New York Association for Improving the Condition of the Poor, the Employment Bureau of the United Hebrew Charities, and the Employment Bureau of the Society of St. Vincent de Paul. All of these have been discontinued; and all for this reason, among others, that the maintenance of a general employment bureau is not the proper function of a charitable society, and that from the point of view of the success of the employment bureau the connection with a charitable society is disadvantageous. If the underlying ideas and policies of these bureaus had been different, if they had had at their disposal a superintendent and staff really qualified to deal with the task in its larger social aspects, and if they had been in position to invest a large capital in creating a mechanism and establishing proper trade relations, it is possible that they might have overcome the handicap of connection with a charitable agency, however serious and embarrassing such an affiliation may be. Their experience, therefore, while instructive and illuminating in many respects, cannot be regarded as conclusive.

Still less importance can be attached to such free agencies as

the Free Employment Bureau now maintained at the Barge Office by the German Society and the Irish Emigrant Society. Excellent service has been rendered for many years by this bureau for the particular class for whom it is intended, and there need of course be no attempt to displace it. The same is true of the employment bureaus which deal with immigrants of other nationalities, and those conducted by the various religious organizations.

There are no statistics as to the total number of persons who are placed in employment by these free agencies. Although the aggregate number of persons affected and benefited is of course considerable, the fact remains that the work of these bureaus is so fragmentary, so uncoordinated and so meagre when compared with the number of persons in the city who require such assistance, that it could scarcely be seriously maintained that they meet the need.

By authority of act of Congress of February, 1907, dealing with the general subject of immigration, there has been established in the Bureau of Immigration of the Department of Commerce and Labor a special division for collecting and distributing information to aliens and others interested. Mr. T. V. Powderly, the former Commissioner-General of Immigration, is at the head of this division, and on the theory that the only information which is of interest to aliens or others interested is information concerning a particular job suitable to their own individual needs, the government has established at 17 Pearl Street what is virtually, though not in name, an employment bureau. In co-operation with the Post Office Department and the Department of Agriculture, the Division of Information has undertaken a very comprehensive plan for obtaining information from farmers and others concerning their need for workers, and places this information at the disposal of the superintendent of the local bureau for the benefit of aliens or others who may call at the office. Having the franking privilege and the advantage of co-operation with other Federal bureaus, it would naturally be expected that such an employment bureau might develop large proportions and to a measurable extent supply the need for such service as we have been considering.

There are objections, however, to the assumption of this duty by any branch of the Federal Government. It is impracticable, for example, for the government to distinguish between citizens who would seek to use the bureau as employers, and yet such dis-

crimination is necessary if applicants are not to be sent at unreasonably low wages or to positions where the conditions are unsatisfactory. Questions arise as to calls from employers on the occasion of strikes or lockouts. A voluntary agency could properly insist upon full and accurate knowledge on all such questions before undertaking to supply a demand. For the government to do so would be to invite friction and antagonism which might have very regrettable consequences. No government official should ever be placed in a position where it is necessary to discriminate between citizens, who, apparently in good faith, are demanding a service which the government has undertaken to supply. Without such discrimination, however, an employment bureau operating on a large scale over a large territory would inevitably become merely a factor in reducing wages and lowering standards of living. If a generous response to inquiries on behalf of the general government means that employers are seeking immigrant labor because it is cheap labor, and if the government by advising immigrants to accept such offers or by facilitating their acceptance becomes a party to such lowering of standards, it may easily do harm which would vastly outweigh the services given in finding employment for a given number of people. This is a danger against which any employment bureau should take ample precautions, but it will be easier and more practicable for a voluntary, unofficial agency to take such measures than for any branch of the Federal Government.

If, however, the actual work of acting as intermediary is assumed by a voluntary agency properly equipped for the purpose, it is quite possible that co-operation between such an agency and the Federal Government might be mutually advantageous. If the Federal Government would collect such information as is apparently contemplated by the immigration law, and would place such information at the disposal of reputable voluntary agencies or make it available in some suitable way to the general public, this would enormously increase the usefulness of the voluntary bureau.

After conference with the Secretary of the Department of Commerce and Labor and with the Chief and Assistant Chief of the Division of Information, and with the superintendent of the local bureau, as well as with the Commissioner of Labor and many others who have given attention to the subject, I am convinced that while there is a great field of usefulness for the division of inform-

ation, it is not and cannot wisely become an effective intermediary between workers and employment to an extent that will make unnecessary such an employment bureau as is under consideration.

The State Department of Agriculture conducts in its branch office at 23 Park Row, New York City, a special labor bureau for the purpose of supplying farmers of the state with farm hands and transplanting families as tenants on New York farms. The assistant commissioner in charge of this office will report to the department that in the past fiscal year ninety families have thus been sent to the country, and about 900 single men as farm laborers.

Neither the division of information conducted by the Federal Government nor the Agricultural Labor Bureau of the state government would be in any way hampered or displaced by the employment bureau, but both could and doubtless would co-operate with it to the mutual advantage of all concerned.

It is sometimes thought that the cheapening of daily newspapers, and the development of the want advertisements, afford a means of supplying the need in question. Such advertisements have, of course, a distinct field of usefulness, although one perhaps more restricted than is ordinarily supposed. To ascertain whether advertisements by employers and by applicants for work respectively vary in accordance with well known conditions of trade activities and depression, and to get some idea of the nature of the "wants" thus advertised, I have had a careful examination made of the want columns of two newspapers in New York City on selected days in 1902 and 1905, representing what may be considered normal conditions of trade, and in the winter of 1907-08, covering the transitional period from the activity of the early autumn to the depression of the winter. This study of New York newspapers is supplemented by a similar examination on a slightly different plan of the files of Chicago newspapers.

My conclusion, based upon personal examination of want columns, upon this detailed examination of the files of New York and Chicago newspapers on certain selected days, and on conference with others who have been in the habit of following such advertisements in connection with the work of the Free State Employment Bureaus, is that the want columns, although a factor in the general mediation between employers and employees in clerical occupations,

in certain kinds of miscellaneous odd jobs, and in some of the skilled trades, do not by any means meet the entire need, and that the question of their usefulness is by no means to be ascertained merely by measuring the space which they occupy on the padded page of many newspapers.

At my request the Director of the Bureau of Social Research in the New York School of Philanthropy assigned one of the fellows of the bureau to the task of interviewing the secretaries of a number of representative trade unions to ascertain what are their methods for finding work for their unemployed members, and incidentally to obtain their views as to the desirability of establishing an employment bureau so far as concerns its possible usefulness to their own members. This inquiry was supplemented by similar interviews with representative employers, with the officers of associations of manufacturers and other employers and with representatives of the important railways.

It appears that in those trades which are completely organized and in which there is practically no non-union labor, the union is itself the ordinary means of communication between employer and employee. In general the system of finding work for unemployed members is exceedingly haphazard. The general opinion of the representatives of trade unions interviewed in the course of this inquiry appeared to be that their mechanism was not sufficient to deal with the situation as a whole or even within their own trades, so far as it is a matter of distributing labor to other communities. There is no doubt that the co-operation of union labor can be secured in carrying out the plan for an employment bureau, if that is desired, and it would seem on many accounts to be very desirable.

Interviews with employers were on the whole rather unsatisfactory because of the indefinite and tentative manner in which the proposition could be explained, but the two interesting results of such interviews are first that there would be no lack of disposition to use the services of the bureau as soon as it was shown that it was in position to do its work, and second that even among the few whom we visited there were some who had reasons of their own for instant hostility to any plan which would by arrangement with higher officials deprive them of their present prerogatives of hiring labor. One service which the employment bureau would be led to undertake, though perhaps not at the beginning, would be the

investigation of conditions under which contract labor is engaged and managed on some of the railway systems.

There are no doubt still to be found some who look with misgiving on any plan for helping people to find work, even though they are expected directly or indirectly to pay for the service, lest the feeling of personal responsibility should thereby be undermined. A bureau, however, conducted on a business basis, expecting eventually to pay reasonable dividends on the capital invested in it, would scarcely be open to this objection. What is proposed is not a paternalistic assumption of responsibility for employees, but the rendering of definite economic service in return for suitable compensation. Workingmen out of a job may now look to their unions or advertise in a want column, or register in a commercial employment agency, or tramp about from place to place applying personally for work. It is the last method that is ordinarily in the mind of those who favor "throwing persons upon their own responsibility" in the matter of finding work. To patronize a well-conducted employment bureau which gave a full equivalent for the fee charged—though the collection of the fee might be postponed until wages should be received—would be only a very sensible and commendable manner of meeting this responsibility.

Can the Need be met by a free Public Bureau?

In order to answer this question, I have thought it expedient to visit personally the free state employment bureaus in Boston, Columbus, Cleveland, Chicago, Milwaukee and Minneapolis, and have obtained such information concerning these and other state and municipal bureaus as is contained in their annual reports and is available in the United States Labor Bureau and elsewhere. While some of these bureaus are, of course, better than others, I regret to report that so far as I can ascertain they are everywhere in politics, and are too perfunctory and inefficient in their methods to become factors in bringing about any real adjustment between work and workers. The salary paid to the Superintendent of a Free State Bureau is \$1,200 or less—usually less. He has often only one assistant, and sometimes none. Judging from the experience of New York and other states, the fundamental defects in such state bureaus are not easily to be overcome. The peculiar relation between organized labor and the state employment bureau

and the temptation to utilize the bureau merely to make it appear that the administration of the day is "doing something for labor" are apparently ineradicable obstacles in the way of efficient service. The municipal bureaus in Duluth and Seattle appear to be free from the defects of the state bureaus, and it would be easy to make favorable comment on particular features of certain of the bureaus, especially those in Massachusetts and Wisconsin, but I have been unable to find in any of these state bureaus as now conducted warrant for the belief that the re-establishment of the New York State Bureau would be advisable in itself or that it would in any appreciable degree serve the purpose of giving substantial and practical aid to the community in solving the problem which we have in mind.

Every step in advance in the elimination of fraud and extortion in the ordinary commercial agencies only increases the need of a general agency which shall be in position to command public confidence and shall unquestionably be free from the abuses which state regulation is intended to prevent. Stricter regulation and supervision, while desirable on their own account, do not lessen the increasing need for an agency which will be conducted primarily for the good that it will do rather than for the profits that it can earn.

Recommendations.

As a result of careful study of the whole subject, involving a considerable amount of reading, visits to several states and to the national capital, and extended correspondence, the co-operation of the Bureau of Social Research, and numerous personal interviews, especially in regard to the reasons for the failure of experiments which have been made in New York City, I am of the opinion that the establishment of an employment bureau substantially on the lines indicated in Mr. Schiff's memorandum is desirable, that the need for such a bureau is very great, that it is not met by other existing agencies, and cannot be met by other plans more effectively or economically than by that proposed.

The only serious modification which I would recommend is that a fee should be charged to employees rather than to employers, unless it is found practicable and advisable to charge a fee to both. I believe that eventually the bureau could make such a position for itself that large employers would be willing to make contracts

with it, perhaps on an annual basis, which would be mutually advantageous, but I doubt the wisdom of charging a specific fee for each employee furnished, especially in the initial stages of the experiment. I have no doubt, however, that from the very beginning it could be made apparent to employees that in paying a reasonable fee for the services of the bureau they would be making a good investment. If employers were charged and not employees, my fear would be that the tendency of the bureau would be to serve the interests of employers, rather than those of employees. It is of course our desire that it should serve both, and primarily the community.

There is complete unanimity of opinion that the success of the whole enterprise will depend upon the capacity of its executive officer, although it is also conceivable that a board of trustees or managers might be created that would contribute very materially to its success. My suggestion would be that the board should consist of not more than nine members, and that among them there should be at least one labor representative, and one social worker or university instructor interested in the problem on the scientific side. This suggestion is made simply in the interest of efficiency and public usefulness, but if those who provide the capital feel that they should exercise exclusive control over the Bureau, some part of the advantage which I have in mind might be secured by creating an advisory board with an even larger representation of such elements as I have proposed for the board of managers.

The general plan on which the bureau should be conducted has perhaps already been sufficiently indicated. Recapitulating, however, for the sake of clearness, I would recommend:

That there be organized in the City of New York an employment bureau under a board of trustees composed of experienced men representing the mercantile, academic, philanthropic and industrial classes, each member of the board, however, being selected not so much in his representative capacity as because of his probable usefulness as an active working member of the board. The control should, of course, remain with those who furnish the working funds, but need not be exclusively limited to them.

The bureau should be placed under a manager of great executive ability, with the necessary number of assistants, and the staff should be thoroughly conversant with the peculiarities of the various groups that compose New York City's working population. Herein lies the special strength of the small and often badly conducted employment agencies, that those who manage them really know their

people. The employment bureau cannot be expected to succeed unless it can secure similar intimate knowledge of the peculiarities, and especially of the valuable qualities of particular groups. It would be necessary to have interpreters, men to take charge of gangs in transit, and to perform virtually the functions now exercised by the padroni—although without the abuses of that system.

The bureau should establish an organization covering all sections of the United States, so that it shall be in immediate and constant touch with requirements for labor and employment wherever such may exist, but its benefits should accrue primarily to the unemployed of the City of New York. It may not be necessary to maintain agencies permanently in particular localities outside of New York, although it might be advisable to have one or two branch headquarters. For the most part the agents in the field would be moving from place to place, establishing relations with employers, looking after the interests of men who had been sent to work, and ascertaining when they would be free from particular engagements, so that there would be little loss of time in transferring them to other places where they were needed.

The bureau should charge a reasonable fee to employees, although waiving this, as private employment agencies do, whenever it is necessary in order to supply particular demands, and postponing it, until it can be paid from wages whenever employees are entirely without funds. Eventually the bureau might make contracts with employers on the basis of compensation to the bureau for its services, but my suggestion would be that the service be free to employers until it had been demonstrated that the bureau is in position to do this work as well as other agencies or better.

On account of the general dissatisfaction with all existing systems—free employment bureaus, ordinary private commercial agencies, want advertisements, employers' exchanges, trade union registers, etc., and for other reasons already indicated, I am of the opinion that an employment bureau conducted as has been proposed, with a working capital of \$100,000, would eventually become self-supporting, and would pay a reasonable, or even, if that were desired, a very substantial dividend on the capital invested. As the motives of those who would establish the bureau are not, however, pecuniary, but public-spirited, I would recommend that the bureau be incorporated on a plan similar to that of the Provident Loan Society, limiting dividends to six per cent and providing that the surplus, if any should be accumulated, be devoted to some appropriate public purpose.

Aside from the main purpose of helping the unemployed to get

work, I would expect that a bureau of the kind that is under consideration would have five indirect and incidental but exceedingly important functions:

(1) By competition it would help to eliminate the evils of the ordinary commercial agencies.

(2) By opening up opportunities for employment in other communities, both urban and rural, it would contribute to the solution of the overshadowing and increasingly serious problem of congestion of population in New York City.

(3) It would gradually establish standards of work which might eventually, if the establishment of a State Bureau or even a National Bureau is found expedient, be taken over in the management of such official bureaus. Conditions in this country do not at present seem favorable for establishing high standards in official bodies of this kind. This is greatly to be deplored, and it is doubtful whether voluntary agencies in the field of social work can render a better service than by working out at private expense and under the more favorable conditions of private initiative, standards of work which will subsequently modify the work of public agencies if they become desirable. Without attempting to anticipate whether social legislation in this country will follow the course which it has taken in all European countries, including Great Britain, we may at least feel it to be a patriotic duty to do anything that is possible to be prepared for such legislation by unhampered experiment with the problems which elsewhere have already become governmental functions. If on the other hand it is found that recent tendencies in these directions are modified or reversed and that such activities are to remain indefinitely in private hands, then nothing is lost but everything is gained by such pioneer work as is now proposed.

(4) It would help to decasualize labor, if we may use a phrase which has become more familiar in England than in this country, but which implies a lamentable condition towards which a large part of our unskilled labor is unfortunately tending. Any employer in undertaking a new job would prefer, other things being equal, to secure laborers who have been at work, rather than men who have been demoralized by idleness or underemployment.

(5) Eventually the employment bureau might exert an important influence on the critical period in the lives of boys and young men when they first begin work. We have child labor

committees and a widespread interest in protective legislation, but not enough attention has been given to the kind of work in which working boys from fourteen to twenty years of age are engaged. It is largely lost time, paying relatively high wages at the start but leading nowhere. While it could not become the main function of the employment bureau to deal with the problem, it might incidentally contribute materially to its solution.

The strongest, and to my mind conclusive, argument in favor of the establishment of an employment bureau is to be found in the very dearth of information and even of views which this brief and necessarily superficial inquiry has disclosed. There appears to be no way of finding out how much mal-adjustment actually exists either in our own city or between this and other communities, or of discovering remedies except by trying the experiment. At the end of a year or two of actual work by such an employment bureau as has been proposed, we would have a body of experience and information from which conclusions could be drawn in regard to many important questions of public policy and of private social effort. It may seem extravagant to say that the mere collection of such information and its proper interpretation would be worth all that it is proposed to spend in the experiment even if it should prove to be an utter failure, but I believe this to be a moderate and reasonable estimate. I do not believe that it will be a failure, and have indicated what appear to me to be convincing reasons for believing that it will be a success.